

November 14, 2007

Dear Ms. Shaffer:

I write today with an update on the significant and growing movement in opposition to the Federal Communications Commission's (FCC) proposed cap on the federal Universal Service Fund (USF). As the FCC has indicated its intent to move on this cap any day, rural Americans are extremely troubled by the proposal, and concerned that their access to advanced wireless communications will be compromised without necessary federal support.

In the last two weeks alone, concerned citizens from across the country have submitted more than 4,500 postcards opposing the FCC's decision to cap the USF. These postcards have been delivered to 28 U.S. Senators from 14 states, and more than 700 were sent to members of the U.S. Senate Commerce Committee. Postcards from communities across the country have been pouring in from people who are worried that rural public safety and economic development will be jeopardized if a cap is implemented.

As you know from the materials we mailed you in October, in the past six months thousands of Americans have filed public comments with the FCC opposing the cap, thousands of individuals have written you and your legislative colleagues in opposition to the cap and hundreds of local and major newspapers have covered this issue. As a further testament to the momentum of this effort, more than 4,500 rural and concerned citizens have taken the time to mail postcards in opposition to the cap in the last two weeks alone.

U.S. Cellular® and the wireless industry have consistently supported comprehensive reform of the USF, but never at the expense of the public safety resources and economic growth of rural communities.

Congress helped create the USF to make sure that telecommunications technology doesn't leave rural communities behind. In fact, under the 1996 Telecommunications Act, the FCC adopted federal USF policies that give rural consumers choices in services and service providers that are similar to those available in urban areas. By taking action to cap the USF the FCC is thwarting the Act and will of Congress.

Fourteen members of Congress, five governors, and dozens of organizations ranging from the National Coalition Against Domestic Violence and the League of Rural Voters to local sheriff's offices and rural economic development groups have raised their voices to oppose the cap.

We are fast becoming a wireless nation, and to provide the best possible service and public safety resources to rural Americans, wireless carriers need a fair share of universal service funding and federal support. To this end, U.S. Cellular is supporting Connecting Rural America (www.connectingruralamerica.org), a diverse coalition of public safety officials, business leaders and concerned citizens from across the country, in an effort to take a stand for rural America.

Sincerely.

John E. Rooney

President & CEÓ



December 3, 2007

Dear Ms. Shaffer:

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The Recommended Decision issued by the Federal-State Joint Board on Universal Service - released on the eve of the Thanksgiving holiday - is nothing to give thanks for. In fact, it is about as far away from true reform as one can get. These recommendations represent a turn-of-the-clock back to an era of monopoly providers and inadequate service and thwart what Congress set out to accomplish with the Telecommunications Act of 1996.

By proposing to cap USF support to wireless carriers, the Joint Board would deprive rural America of hundreds of millions of dollars in new wireless investment. It further recommends that each rural geographic area be served by a single wireless carrier forcing rural Americans into a federally regulated and subsidized monopoly system.

This is the problem Congress intended to solve when it created the USF to make sure that rural communities are not left behind as new telecommunications technologies emerge. If enacted, this recommendation would undermine that essential goal and further widen the technological gap between urban and rural America. USF mechanisms are supposed to work with competition - not create barriers to competition - so that rural consumers can choose the services that best suit their needs.

Rural consumers are increasingly "cutting the cord" and choosing wireless. Despite this inevitable shift, the Joint Board would continue to fund landline companies at \$3 billion per year, even as they steadily lose customers. Since 1999, landline phone companies have drawn more than \$25 billion in funding, much of it from contributions made by wireless consumers, while less than \$3 billion has gone to rural wireless carriers. If the FCC is serious about contrôlling fund growth, then landline companies should lose support when they lose customers, just like wireless carriers do today. チル (三・配つ0 a

More than 12,000 concerned citizens have written to Congress and the FCC opposing the proposed cap. Elected officials from state governors to county sheriffs have urged the FCC to preserve this much needed federal funding. The National Coalition Against Domestic Violence, the National Grange and the League of Rural Voters have spoken out about the public safety and economic development benefits that wireless service provides.

U.S. Cellular will continue to vigorously advocate before Congress and the FCC in favor of policies that support all consumers, not any individual carrier or technology. We believe that is what is right for our customers - and for all consumers across the country. For more information, please visit www.connectingruralamerica.org.

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Sincerely,

John E. Rooney President & CEO

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